

CONFIDENTIAL

FILE 77-2164

Approved For Release 2002/01/08 : CIA-RDP80-00473A000500090006-6

DD/A Registry

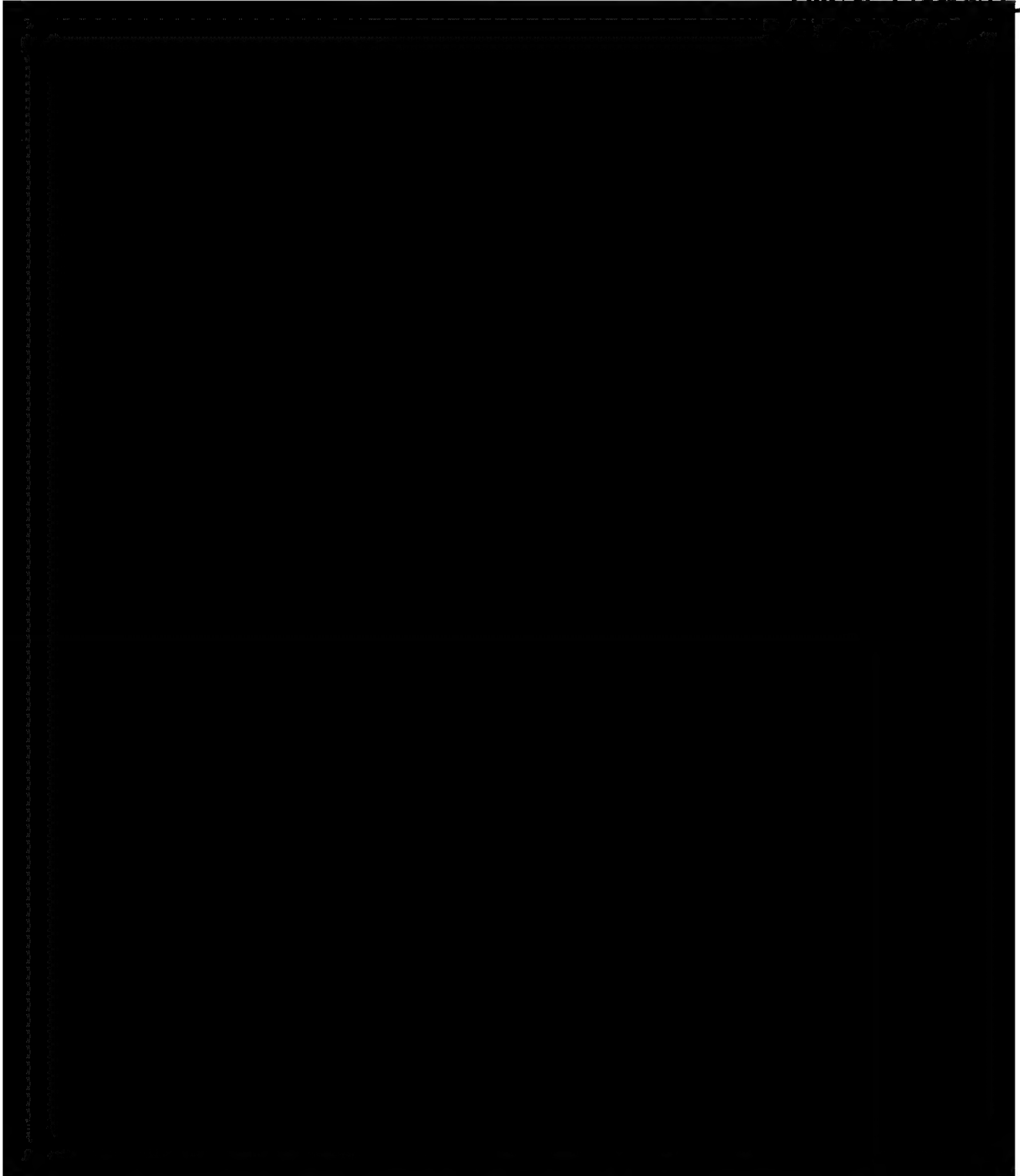
77-3776

30 JUN 1977

DD/A Registry

25X1A

File *Personal-9*



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Next 4 Page(s) In Document Exempt

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6 JUN 1977

77-3163

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA : Comptroller
Deputy Director for AdministrationFROM : F. W. M. Janney
Director of Personnel

SUBJECT : Agency's Utilization of Consultants (U)

REFERENCE : Memorandum for the Heads of Executive Departments and
Agencies, dated 12 May 1977, from President Carter

1. (U) Action Requested: A response from the Director of Central Intelligence to the Director, Office of Management and Budget, as requested by referent memorandum concerning use of consultants.

2. Background:

a. (U) Page 2 of referent memorandum requests the head of an agency to review all data that is available or can be readily assembled to describe:

-- The principal purposes for which consulting services are being used;

-- The types of consulting arrangements being used (Civil Service Commission appointment, contract, grant, advisory committee membership, other); and

-- The number of such arrangements in effect and the total dollars involved.

b. (C) The principal purposes for which consultants' services are being provided are:

(1) To obtain for the Director and the Deputy Director views and advice of highly qualified individuals in a few specialized areas requiring expertise not available by any other means.

E2IMPDET

CL BY: [REDACTED]

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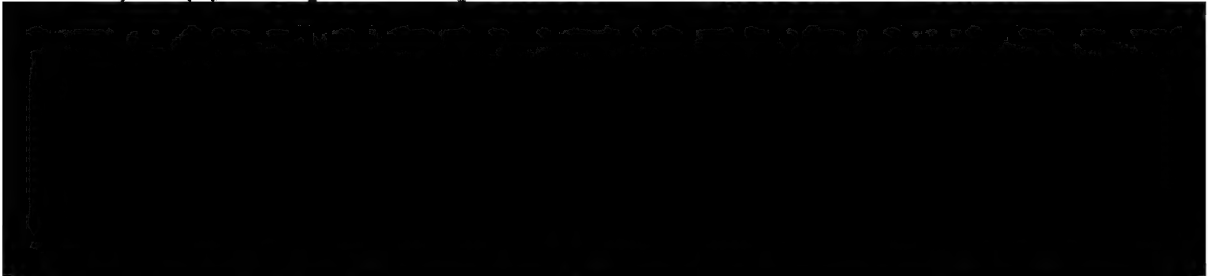
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SUBJECT: Agency's Utilization of Consultants (U)

(2) To obtain legal advice based upon highly specialized experience and qualifications in the legal profession not available from among Government employees nor possessed by persons available for Government employment.

25X1A

(3) To provide specialized scientific and technical advice



c. (U/AIUO) All Agency consultants are engaged under personal services contracts, with the exception of one individual who is appointed.

d. (C) There are currently [redacted] consultants. The total costs for FY 77 are estimated at [redacted] 25X1A

25X1A

e. (C) Referent memorandum requests the head of an Agency to "review and revise the management controls and decision criteria used for consultants which will effectively prevent abuses." In my view, our present procedure for the engagement of a consultant prevents abuses. As you know, our consultants must be cleared for conflict of interest prior to the DCI or DDCI approving their being hired. All have an Agency Top Secret clearance. Their contracts are written on a fiscal-year basis with the Director personally approving each extension beyond the current fiscal year. If compensation is authorized, the maximum rate is \$168.96 per day (the daily rate for the top step of a GS-15). Ten consultants serve without compensation. For most of our consultants, their services are required only from two to fifteen days per fiscal year.

f. (U/AIUO) The contracts for two consultants have been identified for termination by 30 September 1977. The Director will have the opportunity to review all consultants for renewal or termination during August 1977 for FY 78.

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SUBJECT: Agency's Utilization of Consultants (U)

3. (U) Recommendation: That you recommend to the Director he sign the attached letter to the Director, OMB.

(Signed) F. W. M. Janney

F. W. M. Janney

Attachment: As Stated

Distribution: w/att

0 - Adse

1 - Compt

1 - ER

1 - ~~BIA~~

1 - D/Pers

2 - CPD (1 w/held)

OP/CPD/CW [REDACTED] : 3Jun77

25X1A

~~CONFIDENTIAL~~
The Director

ER-77-1332/2

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Central Intelligence Agency

Washington, D.C. 20505

6 July 77

The Honorable Bert Lance, Director
Office of Management and Budget
Washington, D. C. 20503

Dear Bert:

(U) This letter is in response to the President's memorandum of 12 May 1977 directing a review of the use of consultants.

(C) The principal purposes for which consultants' services in CIA are being provided are:

-- To obtain for the Director and the Deputy Director views and advice of highly qualified individuals in a few specialized areas requiring expertise not available by any other means.

-- To obtain legal advice based upon highly specialized experience and qualifications in the legal profession not available from among Government employees nor possessed by persons available for Government employment.

-- To provide specialized scientific and technical advice

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(U) All Agency consultants are engaged under personal services contracts, with the exception of one individual who is appointed.

Signature
_____ Impossible to Determine

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(C) The Agency currently has [REDACTED] consulting arrangements. Total costs for Fiscal Year 1977 are estimated at [REDACTED]

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25X1A

(C) Existing procedures in the Agency effectively prevent abuses since the hiring of a consultant requires the personal approval of the Director following the individual's clearance for conflict of interest by our General Counsel. Consultant contracts are written on a fiscal year basis with the Director personally approving each extension beyond the current fiscal year. If compensation is authorized, the maximum rate is \$168.96 per day (the daily rate for the top step of a GS-15). Ten consultants serve without compensation. For most of our consultants, their services are required less than 15 days per year.

Yours sincerely,

15/ Stansfield Turner
STANSFIELD TURNER

STATINTL

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May 12, 1977

77-2780

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

Executive Registry
17-1332

In a continuing search for ways to improve the efficiency and effectiveness of the executive branch, I have become aware of a need for improved management of the excessively large volume of consulting and expert services used by the Federal Government. A recent survey by a Senate subcommittee of the use of personal and non-personal consultant and expert services identified more than 30,000 contract arrangements and 10,777 individual appointments. Additionally, there are such services provided by grant arrangements and through advisory committee memberships.

There has been, and continues to be, evidence that some consulting services, including experts and advisors, are being used excessively, unnecessarily, and improperly.

This must be corrected without delay.

Some areas of concern include:

-- Use of consultants to perform work of a policymaking or managerial nature which should be retained directly by agency officials.

-- Repeated appointments or contract extensions which raise questions whether the work is better suited to other more appropriate arrangements.

-- Use of consultants to provide studies and analyses which have no useful impact on agency operations, either because the subject itself is non-essential or because there are no disciplined agency procedures to (a) check priorities and (b) insure follow-up on the results.

-- Use of consultant arrangements as a device to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures.

-- "Revolving door" abuses whereby former Government employees may be improperly favored for individual or contracted consulting arrangements.

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 -- Intra-agency departments, especially in large, multi-agency departments such as Defense and Health, Education and Welfare, because there is no central coordination of consulting efforts or dissemination of results.

-- Conflicts of interest between consultants' advice and their other outside financial interests and affiliations.

In order to improve the use of consultants, I want you to:

1. Review all data that is available or can be readily assembled to describe:

-- The principal purposes for which consulting services are being used;

-- The types of consulting arrangements being used (Civil Service Commission appointment, contract, grant, advisory committee membership, other); and

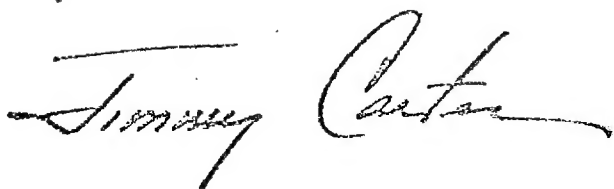
-- The number of such arrangements in effect and the total dollars involved.

2. Review and revise the management controls and decision criteria used for consultants which will effectively prevent abuses.

3. Eliminate those consultant arrangements found to be neither appropriate nor necessary.

4. Report the results of the above items to the Director of the Office of Management and Budget by June 30, 1977.

I am asking the Director of the Office of Management and Budget to review your reports and, where appropriate, to suggest additional measures that you might apply to strengthen your management control of the purposes and arrangements for consulting and expert services.



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